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**U.S. House Committee on Foreign Affairs
“The Summit of the Americas: A New Beginning for U.S. Policy in the Region?”
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Introduction

Chairman Berman, Representative Ros-Lehtinen, Members of the Committee, I’m honored to appear before you today to discuss U.S. relations in the Western Hemisphere. This is a very timely hearing, not only as we look to next month’s Summit of the Americas in Port of Spain, but also to the April 2nd G-20 meeting in London, in which five hemispheric countries will take part – the U.S., Canada, Argentina, Brazil, and Mexico.

My interest and involvement in this region began a number of years before I came to Washington to serve in the Clinton administration. My older son Mark lived and worked in Brazil and Bolivia before attending college, and during our visits to see him, my wife and I were impressed and charmed by Latin America, with its natural bounty, vibrant history, rich culture, and welcoming peoples.

Little did I know then that I would have the opportunity to participate in forging some of our nation’s key policies toward our closest neighbors, from the Mexican peso recovery package to the Caribbean Basin Initiative to Plan Colombia; or that I would have the opportunity to help shape the first Summit of the Americas in 1994 in Miami – the first gathering of hemispheric leaders since 1967; or that I would represent the United States at the signing of the Guatemala peace accords that ended a 36-year civil war.

Little did I know that I would return to the region more than 50 times as President Clinton’s Special Envoy for the Americas, or that I would continue traveling Pan-American and Canadian highways in the private sector through my strategic advisory firm, McLarty Associates.

So it’s a pleasure and privilege to share my observations with you this morning.

A New Beginning: Why It Matters

I believe that with our new administration in Washington, and the change of tone and direction in several key aspects of U.S. policy – including the plans for withdrawal from Iraq and the closure of the detention center at Guantanamo -- the United States has the chance for a new beginning in a region that is of enormous importance and potential.

Of course, I realize the president’s time is always at a premium – and especially now, with so many other urgent challenges, from the global financial crisis to the U.S. economy to

Afghanistan and Iraq. And I'm well aware of the problem James Reston once articulated so well: Americans will do anything for Latin America except read about it.

Still, I believe there is a persuasive case to be made for a re-energized commitment to the hemisphere, not only for the benefits and opportunities it will create, but for the risks that we will face if we don't... because the "kitchen table issues" that affect our citizens' daily lives – things like the economy, energy, the environment, and security -- can only be managed by working directly and concretely with our closest neighbors.

Consider: Latin American and Caribbean countries by a fifth of all U.S. exports and supply a fifth of its imports. Our sales to Latin America each year are four times what we export to China.

The United States gets more than 50 percent of our energy imports from the Western Hemisphere – and more than half of that from Latin American and Caribbean suppliers. Brazil's latest oil finds could make it the eighth largest oil-producing nation, surpassing Russia.

We share a more than 5,500 mile border with Canada and an almost 2,000 mile border with Mexico – presenting extraordinary opportunities for exchange, but also grave potential threats to security.

When it comes to the environment, all of our nations are feeling the effects of global warming – and we all have a stake in mitigation, adaptation, and environmental conservation.

And just as our futures are intertwined, increasingly, so are our families. More than half of the U.S. foreign born population is from Latin America and the Caribbean, and the Hispanic population is the fastest growing in the country.

A Framework for Sustained Engagement

I believe President Obama goes into the Summit with a tailwind at his back. Latin Americans are favorably impressed with the historic significance of his election and the mandate he brings to office. They are well aware of his unique background and his understanding of developing countries; they like his eloquence, temperament, and style. In addition, his commitment to withdraw U.S. combat troops from Iraq will remove a cloud that overshadowed President Bush's best efforts in the region. And in Secretary Clinton, who traveled throughout the region as First Lady, he has a secretary of state who is recognized as knowing and caring about the Americas.

This last point is important, because President Obama is not recognized as a Latin American expert himself. In this first summit with hemispheric leaders, he will need to demonstrate understanding and appreciation for this vibrant part of the world, with its more than 30 countries and 600 million people, rich in resources, culture, and ethnic diversity – and avoid the trap of approaching the entire region through the prism of any single issue (like trade) or single country (like Mexico).

Some have suggested the president should go to the summit in listening mode. I agree, inasmuch as our Latin and Caribbean partners have no interest in hearing a lecture.

But for the summit to meet its full potential as a forum where – as Eric Farnsworth of the Council of the Americas has written -- “serious issues are seriously discussed,” he’ll have to do more than just listen. The president needs a framework for sustained engagement that demonstrates our recognition that the region has changed and matured; that treats our hemispheric neighbors with dignity and respect for their individual and collective concerns; and that shows, as my friend and colleague Peter Hakim has written, that the “U.S. can now be counted on as a dependable partner and responsible neighbor” in achieving common objectives.

What are the elements of that framework?

First, the president needs to get his Western Hemispheric team in place. In Tom Shannon, we have an excellent assistant secretary of state for Western Hemispheric affairs. We also need strong ambassadors from Ottawa to Buenos Aires to Bridgetown, and crucially, a Special Envoy for the Americas. President Obama has already promised to appoint a special envoy for the region and it’s time to get that done. As Abe Lowenthal has written, “rather than promising to pay much more attention to Latin America and then falling short, the new administration and Congress should instead enhance the quality of the limited attention that can realistically be devoted to the region.” A special envoy is an excellent vehicle for that – and appointing someone in advance of the summit that would be a signal of U.S. commitment.

Second, the president must engage the rest of his Cabinet – not just State, but Homeland Security, DOD, Agriculture, Energy, EPA, and more. During the Clinton years, ministerial meetings on topics like defense and sustainability helped strengthen hemispheric cooperation during the summit off-years.

Third, he should have a blueprint for engagement with each country beyond the summit. Some countries may have common interests that suggest follow-on regional meetings – for example, the Caribbean countries and Central America. Certainly the U.S., Mexico, and Canada share a special set of issues through NAFTA, and the North American summit meetings started under President Bush should be continued. Some countries, such as Brazil and Mexico – hemispheric powers in their own right -- will merit being dealt with on their own. My point is that pursuit of our hemispheric interests demands a tailored, disaggregated approach.

Finally, I believe there is a natural opportunity for a bipartisan task force or action group, composed of members from the executive branch and the Congress, to monitor and encourage summit follow through and promote contacts and collaboration with hemispheric counterparts. He should meet with this group regularly and insist on benchmarks of progress.

The Summit Agenda

Turning to the summit agenda itself: The number one priority item will be the U.S. economy. As many have noted, the single most important thing the Obama administration can do for our hemispheric neighbors is get our economy going again. Our summit partners will want to know

our plans for restoring stability and growth, because economic and financial decisions we make in Washington will affect their citizens as well, for good or ill. They want and deserve regular consultation – and frankly, they may have some good ideas and advice for U.S. policymakers. In particular, they want to be assured the U.S. will not respond to our domestic woes by building protectionist walls.

We should also keep in mind the economic risks the crisis poses to stability. More than 20 percent of the population in Latin America and the Caribbean lived on less than \$2 a day even before this global downturn. Now the economic crisis is jeopardizing the progress some countries were making in poverty reduction, while limiting the prospects for others. Faltering economic conditions could lead to social unrest and put a strain on the region's fragile democratic institutions.

The next item, in my view, has to be the deteriorating security situation in Mexico. As a recent report from the Woodrow Wilson Center argues, "There are few relationships that matter more to the United States – if any – than that with Mexico." I want to be clear: I do not believe Mexico is a failed or failing state. But the alarming level of violence needs to be gotten under control – for Mexico's people, for the stability and safety of the border region, and to preserve the rule of law.

Mexico suffered more than 5,000 drug-trafficking deaths last year alone. Building on the bipartisan passage of the Merida Initiative, the United States can play a meaningful role in stemming this bloody tide – by clamping down on the flow of arms across the border; stepping up prevention and treatment efforts to reduce our own drug demand, which pumps as much as \$15-25 billion in drug sale profits across the border each year; and supporting Mexico's efforts to strengthen civilian institutions, including judicial reform and modernization of the police and the military. I would respectfully urge President Obama to put Vice President Biden in charge of this vital effort working closely with Homeland Security Secretary Janet Napolitano. In addition to the vice president's extensive experience in law enforcement and judicial matters, his appointment would signal U.S. commitment at the highest levels.

Turning to the more traditional summit agenda items, certainly trade and investment will be of continued concern. I think President Obama sent the right message during his visit with Prime Minister Harper in Canada last month, when he said that his desire was to grow trade, not contract it. President Obama should come to the summit with the U.S.-Panama FTA in hand or with a clear strategy for its passage, and a strong forward lean on the U.S.-Colombia FTA as well, as long as labor and human rights benchmarks are included.

At the same time, trade and economic issues are not the sum total of our relationships in the hemisphere.

On energy, for example, there is a wide range of issues to be discussed, from securing our base supply to ethanol to integrated grids. Let me simply note the potential I see for working far more closely with our Latin neighbors on renewable energy technologies. A Brookings commission in which I participated earlier this year specifically proposed a jointly funded Renewable Energy

Laboratory of the Americas that would promote cooperation on developing solar, wind, and cellulosic-biomass technologies.

Likewise on the environment, our Brookings commission recommended establishing a regional subgroup for climate change cooperation to coordinate positions in advance of the Copenhagen conference.

Another priority area for joint efforts is lifting people's lives – through support for education, public health collaboration, and continued commitment to the Millennium Challenge initiative established by President Bush. The U.S. has earned goodwill for our humanitarian assistance in the wake of natural disasters like hurricanes, but we can also earn goodwill by being constructive and caring neighbors – for example, by supporting microfinance endeavors that empower Latin American women, or sending teams of U.S. doctors and nurses on medical missions. The private sector has a role to play too, as do our educational institutions; indeed, student exchanges like the one my son Mark took part in so many years ago are an extraordinarily effective and affordable investment in promoting cross-cultural understanding.

On immigration – this is a hot button issue domestically, and internationally as well. But the time has come for comprehensive immigration reform, and the United States will need to work closely with our hemispheric neighbors, especially Mexico, to succeed. I've recently had the privilege of co-chairing a Council on Foreign Relations Task Force on this topic with former Governor Jeb Bush. Effective immigration policy must begin with securing and safeguarding our borders, but must also reflect our labor force needs, as well as include support for economic development in migrant-exporting countries.

Finally, Cuba needs to be on the summit agenda, but should not overwhelm it. Senator Lugar has spoken eloquently on this issue, arguing U.S. policies toward Cuba have been ineffective, and I share his view that it is time for the United States to revisit our policy and to lift restrictions on things like travel, communications, and remittances. I respect that this is an emotional issue, but I believe most Americans' aspirations for a free and democratic Cuba are the same: where we differ is in how best to get there. I believe it's time to try a new approach.

Conclusion

In conclusion, Mr. Chairman, there can be no question that North, South, and Central American futures are intertwined. The question before us is whether that future will be one of shared peace, prosperity, and progress.

I am convinced that a purposeful, pragmatic, respectful U.S. policy toward our neighbors significantly increases our prospects for success – and that is the kind of policy approach I hope President Obama will bring to Port of Spain.

For as President Clinton said at the close of the first Summit of the Americas in Miami, nearly fifteen years ago, the Americas “are bound together by geography, by history, by culture, but most important, now by shared values: a ferocious devotion to freedom, democracy, social

justice; a determination to improve the lives of all our people; and a determination to preserve the natural world we have inherited and that we must pass on.”

Today, on the eve of the fifth Summit of the Americas, at the outset of a new administration, our nation has a chance to refresh the quality of our hemispheric partnerships – and we must seize it.

Thank you.

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